



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

ATLANTA 30334-0900

Sonny Perdue
GOVERNOR

January 25, 2007

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

Dear Mr. President,

Congratulations on delivering your seventh State of the Union address to Congress. I agree, the state of our Union is strong and your increased focus on making private health insurance affordable for more Americans will only serve to strengthen this nation.

I applaud your efforts to consider new and innovative ideas to increase the number of citizens with health insurance, and I am looking forward to working with the Department of Health and Human Services (HHS) to assist Georgia in expanding opportunities to cover the uninsured. However, Georgia, as well as other states, is already having great success in reaching some of our most vulnerable uninsured populations through the State Children's Health Insurance Program (SCHIP). Success though has created an allocation issue that threatens the program. I ask for your assistance in preserving and securing this vital program.

As you described in the State of the Union, the intended purpose of your *Affordable Choices Initiative* is to help states make basic health insurance policies available to their citizens at an affordable price. Currently, every state in the nation has a version of SCHIP, providing affordable health insurance to more than 6.1 million children. Under your Administration, an additional two million children gained coverage through SCHIP. During the same time, Georgia has experienced some of the largest enrollment growth in the nation, with more than 270,000 children currently receiving health insurance through PeachCare for Kids.

Despite all of its success, the SCHIP program is governed by a flawed and counterproductive distribution formula that penalizes the states successfully implementing the mission of SCHIP. Forty states have expenditures greater than their federal SCHIP allotment per year and seventeen of those states are facing federal matching shortfalls for FFY2007, while more than \$1 billion sits unspent in the SCHIP program. Georgia faces a \$131 million federal matching shortfall and without quick action, the PeachCare program will be depleted of federal funds by March 2007.

In December of last year, we worked with our Congressional Delegation to secure "stop gap" funding to assist states with federal funding shortfalls to continue their programs until Congress could address reauthorization of SCHIP. As a result, there is an opportunity now before HHS to help Georgia. I believe Georgia is a model state for this program and would ask that HHS provide the available assistance. Should HHS feel we have not pursued the mission and spirit of SCHIP appropriately, we would appreciate that information and will correct course.

Mr. President, you are correct, America is a compassionate nation and we must continue to take care of our most vulnerable citizens. As we focus on new ways to reach the Nation's uninsured, I ask you to not forget a program that currently meets that charge. The State of Georgia asks for your leadership in making SCHIP and the Nation's children a top priority by filling FFY07 federal matching shortfalls.

Thank you for your attention and leadership on this issue.

Sincerely,

A handwritten signature in dark ink, reading "Sonny Perdue". The signature is fluid and cursive, with the first name "Sonny" being larger and more prominent than the last name "Perdue".

Sonny Perdue